

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-120-E - ORDER NO. 2005-549
OCTOBER 5, 2005

IN RE: Application of Progress Energy Carolinas, Inc.) ORDER APPROVING
for Approval to Sell Land that is No Longer) SUBSTITUTE LAND
Needed to Provide Utility Service.) CONTRACT

This matter comes before the Public Service Commission of South Carolina (the Commission) on the request of Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc. (Progress or the Company) for a modification of a land sale approval granted in Order No. 2005-268. Progress states that in Order No. 2005-268, this Commission granted permission for the Company to sell 10.81 acres and the associated buildings located near Wilmington, NC for \$3.5 million. Prior to filing its Application for approval, Progress had marketed the property for 45 days and had received four bids ranging from \$2 million to \$3.5 million. Progress accepted the highest offer. The property had appraised for \$2.16 to \$2.7 million.

Progress now advises us that the contract for sale of the property for \$3.5 million could not be consummated. Therefore, the Company has now entered into a new contract with the second highest bidder at a sales price of \$3,125,000. Progress believes that this is the highest price obtainable for this property and that re-marketing the property will not produce any higher offers.

We would note that the Office of Regulatory Staff (ORS) has filed a letter in this Docket, stating that it has no objection to the new contract. Apparently, the first contract was terminated because of uncertainty about the allowed use of the property. ORS notes that the new sale price continues to be in excess of both the book and appraised values of the property. Further, ORS asserts that the net proceeds will be recorded under FERC Account No. 421.1, Gain on Disposition of Property.

After due consideration of this matter, we approve the modification of the relief granted in Order No. 2005-268 and approve the new contract for sale of the land. Clearly, as ORS points out, the new sales price continues to be in excess of both the book and appraised values of the property. Further, the proposed accounting treatment of the net proceeds is proper and is approved.

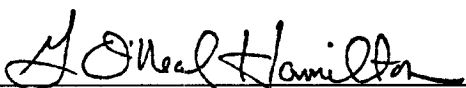
This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Randy Mitchell, Chairman

ATTEST:



G. O'Neal Hamilton, Vice-Chairman

(SEAL)